

AMENDED IN SENATE JULY 7, 2003
AMENDED IN ASSEMBLY MARCH 26, 2003
CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 493

Introduced by Assembly Member Salinas
(Coauthors: Assembly Members Bermudez and Cogdill)

February 14, 2003

An act to amend Section 50650.3 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 493, as amended, Salinas. CalHome Program.

The existing CalHome Program authorizes funds appropriated for purposes of the program to be used to enable low- and very low income households to become or remain homeowners.

Funds are provided by the Department of Housing and Community Development to local public agencies or nonprofit corporations for grants for programs that assist individual households or as loans that assist development projects involving multiple homeownership units, including single-family subdivisions. Grant funds may be used for first-time homebuyer downpayment assistance, home rehabilitation, homebuyer counseling, home acquisition and rehabilitation, or self-help mortgage assistance programs, or for technical assistance for self-help and shared housing homeownership. Loan funds may be used for purchase of real property, site development, predevelopment, and construction period expenses incurred on homeownership development

projects, and permanent financing for mutual housing or cooperative developments.

This bill would authorize CalHome Program financial assistance to be provided as a ~~conditional grant~~ *secured forgivable loan* to an individual household to rehabilitate, repair, or replace manufactured housing in a mobilehome park that is not permanently affixed to a foundation.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 50650.3 of the Health and Safety Code
2 is amended to read:
3 50650.3. (a) Funds appropriated for purposes of this chapter
4 shall be used to enable low- and very low income households to
5 become or remain homeowners. Funds shall be provided by the
6 department to local public agencies or nonprofit corporations as
7 either of the following:
8 (1) Grants for programs that assist individual households.
9 (2) Loans that assist development projects involving multiple
10 homeownership units, including single-family subdivisions.
11 (b) Grant funds may be used for first-time homebuyer
12 downpayment assistance, home rehabilitation, homebuyer
13 counseling, home acquisition and rehabilitation, or self-help
14 mortgage assistance programs, or for technical assistance for
15 self-help and shared housing homeownership. Loan funds may be
16 used for purchase of real property, site development,
17 predevelopment, and construction period expenses incurred on
18 homeownership development projects, and permanent financing
19 for mutual housing or cooperative developments. Upon
20 completion of construction, the department may convert project
21 loans into grants for programs of assistance to individual
22 homeowners. Financial assistance provided to individual
23 households shall be in the form of deferred payment loans,
24 repayable upon sale or transfer of the homes, when they cease to
25 be owner-occupied, or upon the loan maturity date. Financial
26 assistance may be provided in the form of a ~~conditional grant~~
27 *secured forgivable loan* to an individual household to rehabilitate
28 , repair, or replace manufactured housing located in a mobilehome

1 park and not permanently affixed to a foundation. *The loan shall*
2 *be due and payable in 20 years, with 10 percent of the principal*
3 *to be forgiven annually for each additional year beyond the 10th*
4 *year that the home is owned and occupied by the borrower.* All loan
5 repayments shall be used for activities allowed under this section,
6 and shall be governed by a reuse plan approved by the department.
7 Those reuse plans may provide for loan servicing by the grant
8 recipient or a third-party local government agency or nonprofit
9 corporation.

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